

1144327

FORM D

 UNITED STATES
 SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

FORM D



02061257

 NOTICE OF SALE OF SECURITIES
 PURSUANT TO REGULATION D,
 SECTION 4(6), AND/OR
 UNIFORM LIMITED OFFERING EXEMPTION

OMB Approval	
OMB Number:	3235-0076
Expires:	November 30, 2001
Estimated average burden hours per response	16.00

SEC USE ONLY	
Prefix	Serial
DATE RECEIVED	

Name of Offering (☐ check if this is an amendment and name has changed, and indicate change.)

IPO Development Corporation Energy Project

Filing Under (Check box(es) that apply): ☐ Rule 504 ☐ Rule 505 ☐ Rule 506 ☐ Section 4(6) ☐ ULOEType of Filing: ☒ New Filing ☐ Amendment

A. BASIC IDENTIFICATION DATA

1. Enter the information requested about the issuer

Name of Issuer (☐ check if this is an amendment and name has changed, and indicate change.)

IPO Development Corporation

Address of Executive Offices (Number and Street, City, State, Zip Code)

425 Sims Lane, Franklin, TN 37069

Telephone Number (Including Area Code)

(615) 371-1222

Address of Principal Business Operations (Number and Street, City, State, Zip Code)

(if different from Executive Offices) Suite 160, Brentwood, TN 37027

Telephone Number (Including Area Code)

(615) 371-1222

Brief Description of Business

Energy Efficient Product/Company Development - Heating and Cooling

Type of Business Organization

☒ corporation ☐ limited partnership, already formed
☐ business trust ☐ limited partnership, to be formed
☐ other (please specify):P THOMSON
FINANCIAL

Actual or Estimated Date of Incorporation or Organization:

Month
00 1Year
97☒ Actual ☐ Estimated

Jurisdiction of Incorporation or Organization: (Enter two-letter U.S. Postal Service abbreviation for State;

CN for Canada; FN for other foreign jurisdiction)

TN

GENERAL INSTRUCTIONS

Federal:

Who Must File: All issuers making an offering of securities in reliance on an exemption under Regulation D or Section 4(6), 17 CFR 230.501 et seq. or 15 U.S.C. 77d(6).

When To File: A notice must be filed no later than 15 days after the first sale of securities in the offering. A notice is deemed filed with the U.S. Securities and Exchange Commission (SEC) on the earlier of the date it is received by the SEC at the address given below or, if received at that address after the date on which it is due, on the date it was mailed by United States registered or certified mail to that address.

Where to File: U.S. Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549

Copies Required: Five (5) copies of this notice must be filed with the SEC, one of which must be manually signed. Any copies not manually signed must be photocopies of the manually signed copy or bear typed or printed signatures.

Information Required: A new filing must contain all information requested. Amendments need only report the name of the issuer and offering, any changes thereto, the information requested in Part C, and any material changes from the information previously supplied in Parts A and B. Part E and the Appendix need not be filed with the SEC.

Filing Fee: There is no federal filing fee.

State:

This notice shall be used to indicate reliance on the Uniform Limited Offering Exemption (ULOE) for sales of securities in those states that have adopted ULOE and that have adopted this form. Issuers relying on ULOE must file a separate notice with the Securities Administrator in each state where sales are to be, or have been made. If a state requires the payment of a fee as a precondition to the claim for the exemption, a fee in the proper amount shall accompany this form. This notice shall be filed in the appropriate states in accordance with state law. The Appendix to the notice constitutes a part of this notice and must be completed.

ATTENTION

Failure to file notice in the appropriate states will not result in a loss of the federal exemption. Conversely, failure to file the appropriate federal notice will not result in a loss of an available state exemption unless such exemption is predicated on the filing of a federal notice.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

A. BASIC IDENTIFICATION DATA

2. Enter the information requested for the following:

- Each promoter of the issuer, if the issuer has been organized within the past five years;
- Each beneficial owner having the power to vote or dispose, or direct the vote or disposition of, 10% or more of a class of equity securities of the issuer;
- Each executive officer and director of corporate issuers and of corporate general and managing partners of partnership issuers; and
- Each general and managing partner of partnership issuers.

Check Box(es) that Apply: ☒ Promoter ☒ Beneficial Owner ☒ Executive Officer ☒ Director ☐ General and/or Managing Partner

Full Name (Last name first, if individual)

Wiggs, B. Ryland

Business or Residence Address (Number and Street, City, State, Zip Code)

214 Overlook Court, Suite 160, Brentwood, TN 37027

Check Box(es) that Apply: ☐ Promoter ☒ Beneficial Owner ☐ Executive Officer ☐ Director ☐ General and/or Managing Partner

Full Name (Last name first, if individual)

Wiggs, Elsie M.

Business or Residence Address (Number and Street, City, State, Zip Code)

214 Overlook Court, Suite 160, Brentwood, TN 37027

Check Box(es) that Apply: ☒ Promoter ☒ Beneficial Owner ☒ Executive Officer ☐ Director ☐ General and/or Managing Partner

Full Name (Last name first, if individual)

Wiggs, David R.

Business or Residence Address (Number and Street, City, State, Zip Code)

214 Overlook Court, Suite 160, Brentwood, TN 37027

Check Box(es) that Apply: ☐ Promoter ☐ Beneficial Owner ☐ Executive Officer ☐ Director ☐ General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply: ☐ Promoter ☐ Beneficial Owner ☐ Executive Officer ☐ Director ☐ General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply: ☐ Promoter ☐ Beneficial Owner ☐ Executive Officer ☐ Director ☐ General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply: ☐ Promoter ☐ Beneficial Owner ☐ Executive Officer ☐ Director ☐ General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

B. INFORMATION ABOUT OFFERING

1. Has the issuer sold or does the issuer intend to sell, to non-accredited investors in this offering? Yes ☐ No ☒

Answer also in Appendix, Column 2, if filing under ULOE.

2. What is the minimum investment that will be accepted from any individual? \$ \$25,000

3. Does the offering permit joint ownership of a single unit? Yes ☒ No ☐

4. Enter the information requested for each person who has been or will be paid or given, directly or indirectly, any commission or similar remuneration for solicitation of purchasers in connection with sales of securities in the offering. If a person to be listed is an associated person or agent of a broker or dealer registered with the SEC and/or with a state or states, list the name of the broker or dealer. If more than five (5) persons to be listed are associated persons of such a broker or dealer, you may set forth the information for that broker or dealer only.

N/A

Full Name (Last name first, if individual)

Owners/Officers of IPO Development Corporation (the issuer) intend to sell the securities.

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check individual States) ☒ All States

[AL] [AK] [AZ] [AR] [CA] [CO] [CT] [DE] [DC] [FL] [GA] [HI] [ID] [IL] [IN] [IA] [KS] [KY] [LA] [ME] [MD] [MA] [MI] [MN] [MS] [MO] [MT] [NE] [NV] [NH] [NJ] [NM] [NY] [NC] [ND] [OH] [OK] [OR] [PA] [RI] [SC] [SD] [TN] [TX] [UT] [VT] [WA] [WV] [WI] [WY] [PR]

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check individual States) ☐ All States

[AL] [AK] [AZ] [AR] [CA] [CO] [CT] [DE] [DC] [FL] [GA] [HI] [ID] [IL] [IN] [IA] [KS] [KY] [LA] [ME] [MD] [MA] [MI] [MN] [MS] [MO] [MT] [NE] [NV] [NH] [NJ] [NM] [NY] [NC] [ND] [OH] [OK] [OR] [PA] [RI] [SC] [SD] [TN] [TX] [UT] [VT] [WA] [WV] [WI] [WY] [PR]

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check individual States) ☐ All States

[AL] [AK] [AZ] [AR] [CA] [CO] [CT] [DE] [DC] [FL] [GA] [HI] [ID] [IL] [IN] [IA] [KS] [KY] [LA] [ME] [MD] [MA] [MI] [MN] [MS] [MO] [MT] [NE] [NV] [NH] [NJ] [NM] [NY] [NC] [ND] [OH] [OK] [OR] [PA] [RI] [SC] [SD] [TN] [TX] [UT] [VT] [WA] [WV] [WI] [WY] [PR]

(Use blank sheet, or copy and use additional copies of this sheet, as necessary)

C. OFFERING PRICE, NUMBER OF INVESTORS, EXPENSES AND USE OF PROCEEDS

1. Enter the aggregate offering price of securities included in this offering and the total amount already sold. Enter "0" if answer is "none" or "zero". If the transaction is an exchange offering, check this box ☐ and indicate in the column below the amounts of the securities offered for exchange and already exchanged.

Type of Security	Aggregate Offering Price	Amount Already Sold
Debt.....	\$ _____	\$ _____
Equity.....	\$ <u>1,000,000</u>	\$ <u>0</u>
<input type="checkbox"/> Common <input type="checkbox"/> Preferred		
Convertible Securities (including warrants).....	\$ _____	\$ _____
Partnership Interests.....	\$ _____	\$ _____
Other (Specify _____).....	\$ _____	\$ _____
Total.....	\$ <u>1,000,000</u>	\$ <u>0</u>

Answer also in Appendix, Column 3, if filing under ULOE

2. Enter the number of accredited and non-accredited investors who have purchased securities in this offering and the aggregate dollar amounts of their purchases. For offerings under Rule 504, indicate the number of persons who have purchased securities and the aggregate dollar amount of their purchases on the total lines. Enter "0" if answer is "none" or "zero."

	Number Investors	Aggregate Dollar Amount of Purchases
Accredited Investors.....	<u>0</u>	\$ <u>0</u>
Non-accredited Investors.....	<u>0</u>	\$ <u>0</u>
Total (for filings under Rule 504 only).....	<u>0</u>	\$ <u>0</u>

Answer also in Appendix, Column 4, if filing under ULOE

3. If this filing is for an offering under Rule 504 or 505, enter the information requested for all securities sold by the issuer, to date, in offerings of the types indicated, in the twelve (12) months prior to the first sale of securities in this offering. Classify securities by type listed in Part C-Question 1.

Type of offering	Type of Security	Dollar Amount Sold
Rule 505.....	<u>0</u>	\$ <u>0</u>
Regulation A.....	<u>0</u>	\$ <u>0</u>
Rule 504.....	<u>0</u>	\$ <u>0</u>
Total.....		\$ _____

4. a. Furnish a statement of all expenses in connection with the issuance and distribution of the securities in this offering. Exclude amounts relating solely to organization expenses of the issuer. The information may be given as subject to future contingencies. If the amount of an expenditure is not known, furnish an estimate and check the box to the left of the estimate.

Transfer Agent's Fees.....	<input checked="" type="checkbox"/>	\$ <u>0</u>
Printing and Engraving Costs.....	<input checked="" type="checkbox"/>	\$ <u>500</u>
Legal Fees.....	<input checked="" type="checkbox"/>	\$ <u>0</u>
Accounting Fees.....	<input checked="" type="checkbox"/>	\$ <u>0</u>
Engineering Fees.....	<input checked="" type="checkbox"/>	\$ <u>0</u>
Sales Commissions (Specify finder's fees separately).....	<input checked="" type="checkbox"/>	\$ <u>0</u>
Other Expenses (identify) _____	<input checked="" type="checkbox"/>	\$ <u>0</u>
Total.....	<input checked="" type="checkbox"/>	\$ <u>500</u>

C. OFFERING PRICE, NUMBER OF INVESTORS, EXPENSES AND USE OF PROCEEDS

b. Enter the difference between the aggregate offering price given in response to Part C-Question 1 and total expenses furnished in response to Part C-Question 4.a. This difference is the "adjusted gross proceeds to the issuer."

\$999,500

5. Indicate below the amount of the adjusted gross proceeds to the issuer used or proposed to be used for each of the purposes shown. If the amount for any purpose is not known, furnish an estimate and check the box to the left of the estimate. The total of the payments listed must equal the adjusted gross proceeds to the issuer set forth in response to Part C-Question 4.b. above.

		Payments to Officers, Directors, & Affiliates	Payments To Others
Salaries and fees	<input checked="" type="checkbox"/>	\$ 999,500	\$ 0
Purchase of real estate	<input checked="" type="checkbox"/>	\$ 0	\$ 0
Purchase, rental or leasing and installation of machinery and equipment	<input checked="" type="checkbox"/>	\$ 0	\$ 0
Construction or leasing of plant buildings and facilities	<input checked="" type="checkbox"/>	\$ 0	\$ 0
Acquisition of other businesses (including the value of securities involved in this offering that may be used in exchange for the assets or securities of another issuer pursuant to a merger)	<input checked="" type="checkbox"/>	\$ 0	\$ 0
Repayment of indebtedness	<input checked="" type="checkbox"/>	\$ 0	\$ 0
Working capital	<input checked="" type="checkbox"/>	\$ 0	\$ 0
Other (specify) <u>Estimated printing costs</u>	<input checked="" type="checkbox"/>	\$ 0	\$ 500
	<input checked="" type="checkbox"/>	\$ 0	\$ 0
Column Totals	<input checked="" type="checkbox"/>	\$ 999,500	\$ 500
Total Payments Listed (column totals added)		<input checked="" type="checkbox"/> \$1,000,000	

D. FEDERAL SIGNATURE

The issuer has duly caused this notice to be signed by the undersigned duly authorized person. If this notice is filed under Rule 505, the following signature constitutes an undertaking by the issuer to furnish to the U.S. Securities and Exchange Commission, upon written request of its staff, the information furnished by the issuer to any non-accredited investor pursuant to paragraph (b) (2) of Rule 502.

Issuer (Print or Type) IPO Development Corporation	Signature <i>B. Ryland Wiggs</i>	Date October 8, 2002
Name of Signer (Print or Type) B. Ryland Wiggs	Title of Signer (Print or Type) President	

ATTENTION

Intentional misstatements or omissions of fact constitute federal criminal violations. (See 18 U.S.C. 1001.)

E. STATE SIGNATURE

1. Is any party described in 17 CFR 230.252 (c), (d), (e) or (f) presently subject to any of the disqualification provisions of such rule? Yes ☐ No ☒

See Appendix, Column 5, for state response.

2. The undersigned issuer hereby undertakes to furnish to any state administrator of any state in which this notice is filed, a notice on Form D (17 CFR 239.500) at such times as required by state law.
3. The undersigned issuer hereby undertakes to furnish to the state administrators, upon written request, information furnished by the issuer to offerees.
4. The undersigned issuer represents that the issuer is familiar with the conditions that must be satisfied to be entitled to the Uniform Limited Offering Exemption (ULOE) of the state in which this notice is filed and understands that the issuer claiming the availability of this exemption has the burden of establishing that these conditions have been satisfied.

The issuer has read this notification and knows the contents to be true and has duly caused this notice to be signed on its behalf by the undersigned duly authorized person.

Issuer (Print or Type) IPO Development Corporation	Signature B. Ryland Wiggs	Date October 8, 2002
Name of Signer (Print or Type) B. Ryland Wiggs	Title of Signer (Print or Type) President	

Instruction:

Print the name and title of the signing representative under his signature for the state portion of this form. One copy of every notice on Form D must be manually signed. Any copies not manually signed must be photocopies of the manually signed copy or bear typed or printed signatures.

APPENDIX - N/A

1	2		3	4				5	
	Intend to sell to non-accredited investors in State (Part B-Item 1)		Type of security and aggregate offering price offered in state (Part C-Item 1)	Type of investor and amount purchased in State (Part C-Item 2)				Disqualification under State ULOE (if yes, attach explanation of waiver granted) (Part E-Item 1)	
State	Yes	No		Number of Accredited Investors	Amount	Number of Nonaccredited Investors	Amount	Yes	No
AL									
AK									
AZ									
AR									
CA									
CO									
CT									
DE									
DC									
FL									
GA									
HI									
ID									
IL									
IN									
IA									
KS									
KY									
LA									
ME									
MD									
MA									
MI									
MN									
MS									
MO									

APPENDIX - N/A

1 State	2 Intend to sell to non-accredited investors in State (Part B-Item 1)		3 Type of security and aggregate offering price offered in state (Part C-Item 1)	4 Type of investor and amount purchased in State (Part C-Item 2)				5 Disqualification under State ULOE (if yes, attach explanation of waiver granted) (Part E-Item 1)	
	Yes	No		Number of Accredited Investors	Amount	Number of Nonaccredited Investors	Amount	Yes	No
MT									
NE									
NV									
NH									
NJ									
NM									
NY									
NC									
ND									
OH									
OK									
OR									
PA									
RI									
SC									
SD									
TN									
TX									
UT									
VT									
VA									
WA									
WV									
WI									
WY									
PR									

COMPANY ENERGY PROJECT UNIT SALE/PURCHASE AGREEMENT

THIS COMPANY ENERGY PROJECT UNIT SALE/PURCHASE AGREEMENT, made as of the date and year set forth on the signature page of this Agreement, between IPO Development Corporation ("PODC" and/or the "Company"), a Tennessee business corporation, and the undersigned person or business entity (the "Purchaser").

The Company is hereby selling upon terms and conditions set forth in the Confidential Private Placement Memorandum, dated October 1, 2002 (the "Offering Memorandum"), and the Company Energy Project Unit Sale/Purchase Agreement (collectively the "Offering Documents").

The Purchaser is interested in acquiring from the Company, under the terms described in the Offering Documents, such Unit(s) as set forth on the signature page of this Unit Sale/Purchase Agreement.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter set forth, the parties hereto do hereby agree as follows:

I. REPRESENTATIONS BY PURCHASER

1.1 Subject to the terms and conditions set forth herein and in the accompanying Offering Memorandum, which is incorporated herein by reference, the Purchaser hereby agrees to purchase such number of the Company's Energy Project Units as is set forth on the signature page hereof.

1.2 The Purchaser understands that the Company's acceptance of this purchase is contingent upon, and understands and agrees that the Company is relying and may rely upon, the representations and warranties of the Purchaser set forth herein. The Purchaser further understands that the Company has the right to reject this purchase for any reason whatsoever.

1.3 The Purchaser recognizes that the purchase of the Company's Energy Project Units involves various elements of risk as set forth in the Offering Memorandum including but not limited to (i) he/she/it may not be able to liquidate his/her/its investment in the event of emergency; and (ii) the Purchaser could sustain a complete loss of his/her/its investment. The Purchaser represents and warrants that he/she/it has considered all of the legal and economic risks attendant to a purchase of these Units, including, but not limited to, the requirements, uncertainties, and risks set forth in the Offering Memorandum.

1.4 The Purchaser represents and warrants that he/she/it has thoroughly reviewed the Offering Documents, and that he/she/it has either obtained, or has had the opportunity to obtain, the advice of his/her/its investment advisor, attorney, and accountant regarding the Offering Documents, all prior to his/her/its election to purchase any Units pursuant to the terms as set forth herein.

III. MISCELLANEOUS

3.1 Any notice or other communication given hereunder shall be deemed sufficient if in writing and sent by Registered or Certified Mail, Return Receipt requested, addressed to IPO Development Corporation, 214 Overlook Court, Suite 206, Brentwood, Tennessee 37027 (or to any forwarding address in the event of a change of address) Attention: B. Ryland Wiggs, President; and to the Purchaser at his/her/its address indicated on the last page of this Agreement (or to any forwarding address in the event of a change of address). Notices shall be deemed to have been given on the date of mailing, except in the event of notice of change of address, which shall be deemed to have been given when received.

3.2 This Agreement shall not be changed, modified, or amended except by a writing signed by the parties to be charged, and this Agreement may not be discharged except by performance in accordance with its terms, or by a writing signed by the party to be charged.

3.3 This Agreement shall be binding upon and inure to the benefit of the parties hereto and to their respective heirs, legal representatives, successors, and assigns. This Agreement sets forth the entire agreement and understanding between the parties as to the subject matter thereof and merges and supersedes all prior discussions, agreements, documents, projections, and understanding of any and every nature among them.

3.4 This Agreement and its validity, construction, and performance shall be governed in all respects by the laws of the State of Tennessee, without regard to Tennessee conflicts of law principles, with jurisdiction agreed by all parties to exist in either Davidson County or Williamson County, Tennessee.

THIS AGREEMENT'S SIGNATURE PAGE FOLLOWS:

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year written below.

ACCEPTED AND AGREED:

IPO Development Corporation

By: _____
B. Ryland Wiggs, CEO

Signature(s) of Purchaser(s) (Name of Company and Title if Purchaser is Company)

Date of Subscription: _____

Name(s) in which the Purchaser Unit(s)
is/are to be Titled: _____

Number of Units Purchased: _____

Dollar amount of Units Purchased: _____

Social Security or Taxpayer Identification
Number of Purchasers): _____

Telephone Number of Purchaser: (_____) _____

Address of Purchaser:

**CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM
"ACCREDITED INVESTOR ONLY" CAPITALIZATION INVESTMENT**

**IPO DEVELOPMENT CORPORATION ("IPODC") ENERGY PROJECT
\$1,000,000 Maximum Offering
40 Units at \$25,000 per Unit**

AN INVESTMENT IN THESE SECURITIES IS HIGHLY SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK. PROSPECTIVE INVESTORS SHOULD CONSIDER CAREFULLY THE INFORMATION SET FORTH UNDER "HIGH RISK FACTORS" BEFORE PURCHASING SUCH SECURITIES.

THE SECURITIES BEING OFFERED HEREBY HAVE NOT BEEN REGISTERED OR APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATING AUTHORITY OF ANY STATE, NOR HAS THE COMMISSION OR ANY SUCH AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

THE SECURITIES BEING OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 IN RELIANCE UPON EXEMPTION FROM SUCH REGISTRATION IN ACCORDANCE WITH REGULATION D THEREUNDER AS WELL AS OTHER STATE AND FEDERAL EXEMPTIONS FROM REGISTRATION. THE EXISTENCE OF THE EXEMPTION DEPENDS ON CERTAIN FACTS INCLUDING THAT THE SECURITIES ARE NOT BEING OFFERED THROUGH GENERAL ADVERTISING OR THROUGH GENERAL SOLICITATION, INCLUDING BUT NOT LIMITED TO, ADVERTISEMENTS OR COMMUNICATIONS IN NEWSPAPERS, MAGAZINES, OR OTHER MEDIA, OR BROADCASTS ON RADIO OR TELEVISION. THIS MEMORANDUM SHALL BE TREATED AS CONFIDENTIAL BY THE PERSON TO WHOM IT WAS DELIVERED IN PERSON, AND ANY DISTRIBUTION OF THIS MEMORANDUM, OR ANY PART HEREOF, OR DIVULGENCE OF ANY OF ITS CONTENTS IS UNAUTHORIZED. EACH PURCHASER MUST SATISFY CERTAIN REQUIREMENTS AS TO INCOME, NET WORTH, AND PRIOR INVESTMENT EXPERIENCE. THE INFORMATION WHICH MUST BE SUPPLIED BY INVESTORS IN THIS REGARD WILL BE RELIED UPON BY MANAGEMENT OF THE COMPANY. THIS MEMORANDUM SHOULD NOT BE CONSIDERED LEGAL OR TAX OR BUSINESS ADVICE AND EACH INVESTOR SHOULD CONSULT HIS OWN LEGAL COUNSEL, TAX ADVISOR AND BUSINESS ADVISOR.

The date of this Confidential Private Offering Memorandum is October 1, 2002.

THE PURCHASE OR OTHER ACQUISITION OF THE SUBJECT STOCK INVOLVES SPECIAL CONSIDERATIONS AND INVESTORS SHOULD CAREFULLY CONSIDER ALL OF THE INFORMATION CONTAINED IN THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM AND ANY SUPPLEMENT HERETO. IN VIEW OF THE SIGNIFICANT RISK FACTORS AND RESTRICTIONS ON TRANSFER DISCLOSED HEREIN, THE PURCHASE OR OTHER ACQUISITION OF THE SUBJECT STOCK OFFERED HEREBY SHOULD BE CONSIDERED ONLY BY PERSONS WHO CAN BEAR THE ECONOMIC RISK OF THEIR INVESTMENT FOR AN INDEFINITE PERIOD AND CAN AFFORD A TOTAL LOSS OF THEIR INVESTMENT.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED HEREIN (INCLUDING ANY EXHIBITS HERETO) AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON. NEITHER THE DELIVERY OF THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM AT ANY TIME NOR ANY DISTRIBUTION OF SECURITIES OFFERED HEREBY SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE INFORMATION SET FORTH HEREIN (INCLUDING IN THE EXHIBITS HERETO) OR IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF. PRIOR TO THE FINAL CLOSING DATE, INVESTORS WILL BE NOTIFIED AS TO ANY MATERIAL ADVERSE CHANGES IN THE INFORMATION CONTAINED HEREIN.

PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM AS LEGAL, BUSINESS, OR TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT HIS OWN ATTORNEY, BUSINESS ADVISOR, AND TAX ADVISOR AS TO LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THIS OFFERING.

NEITHER THE COMPANY NOR ITS LEGAL COUNSEL IS MAKING ANY REPRESENTATIONS TO ANY OFFEREE OF THE UNITS REGARDING THE LEGALITY OR INVESTMENT THEREIN BY SUCH OFFEREE UNDER APPLICABLE LEGAL INVESTMENT OR SIMILAR LAWS.

THE COMPANY RESERVES THE RIGHT TO REJECT ANY COMMITMENT TO SUBSCRIBE IN WHOLE OR IN PART AND TO ALLOT TO ANY PROSPECTIVE INVESTOR LESS THAN THE FULL AMOUNT OF THE UNITS SUBSCRIBED FOR BY SUCH INVESTOR.

THE COMPANY HEREBY EXTENDS TO EACH OFFEREE THE OPPORTUNITY, PRIOR TO THE EXECUTION OF ANY AGREEMENT FOR THE PURCHASE OF THE UNITS, TO ASK QUESTIONS OF, AND RECEIVE ANSWERS FROM, OFFICERS OF THE COMPANY CONCERNING THE TERMS AND CONDITIONS OF THIS OFFERING AND TO OBTAIN

ANY ADDITIONAL INFORMATION, TO THE EXTENT THAT THE COMPANY POSSESSES SUCH NON-PROPRIETARY INFORMATION OR CAN ACQUIRE IT WITHOUT UNREASONABLE EFFORT OR EXPENSE, AS NECESSARY TO VERIFY THE ACCURACY OF THE INFORMATION SET FORTH HEREIN.

THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM MAY CONTAIN SUMMARIES AND/OR MARKET DATA BELIEVED TO BE ACCURATE, BUT WHICH MAY NOT HAVE BEEN INDEPENDENTLY VERIFIED.

THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM HAS BEEN PREPARED SOLELY FOR THE BENEFIT OF INVESTORS INTERESTED IN THE PROPOSED OFFERING OF THE SUBJECT SECURITIES. ANY REPRODUCTION OR DISTRIBUTION OF THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM (INCLUDING THE EXHIBITS HERETO), OR RETRANSMITTAL OF ITS CONTENTS, IN WHOLE OR IN PART, OTHER THAN IN CONFIDENCE TO LEGAL, BUSINESS, AND TAX ADVISORS (WHO, IN TURN, MAY USE THE INFORMATION CONTAINED HEREIN SOLELY FOR PURPOSES RELATED TO SUCH OFFEREE'S INVESTMENT OR PROPOSED INVESTMENT IN THE COMPANY), WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMPANY, IS PROHIBITED.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PERSON OR ENTITY CREATING THE SECURITIES AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND ANY APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THEIR INVESTMENT FOR AN INDEFINITE PERIOD OF TIME AND CAN BE SUBJECT TO A TOTAL LOSS OF THEIR INVESTMENT.

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF CERTAIN STATES AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE ACT AND SUCH LAWS. THE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT AND SUCH LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. THE SECURITIES HAVE NOT BEEN APPROVED OR

DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

THE INFORMATION IN THIS PRIVATE PLACEMENT MEMORANDUM HAS BEEN PREPARED BY THE COMPANY FROM INFORMATION SUPPLIED BY AND TO THE COMPANY AND IS BELIEVED TO BE RELIABLE. THERE CAN BE NO ASSURANCE THAT THE FUTURE OPERATIONS OF THE COMPANY WILL BE PROFITABLE, AND ACCORDINGLY, THE SECURITIES OFFERED HEREBY SHOULD BE CONSIDERED TO BE "HIGH RISK".

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OTHER THAN THE SECURITIES OFFERED HEREBY, NOR DOES IT CONSTITUTE AN OFFER TO SELL OR SOLICITATION OF AN OFFER TO BUY FROM ANY PERSON IN ANY STATE, OR IN ANY OTHER JURISDICTION, IN WHICH SUCH OFFER OR SOLICITATION WOULD BE UNLAWFUL, OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO, OR TO A PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

NOTICE TO TENNESSEE RESIDENTS

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISK OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

NOTICE TO PENNSYLVANIA RESIDENTS

EACH PENNSYLVANIA RESIDENT WHO SUBSCRIBES FOR THE SECURITIES BEING OFFERED HEREBY AGREES NOT TO SELL THESE SECURITIES FOR A PERIOD OF TWELVE (12) MONTHS AFTER THE DATE OF PURCHASE, EXCEPT AS PERMITTED UNDER SECTION 204.011 OF THE PENNSYLVANIA SECURITIES REGULATIONS. PURSUANT TO SECTION 207(m) OF THE PENNSYLVANIA SECURITIES ACT OF 1972, AS AMENDED, EACH REGISTRATION BY SECTION 203 (d), DIRECTLY FROM THE ISSUER OR AFFILIATE OF THE ISSUER, SHALL HAVE THE RIGHT TO WITHDRAW HIS ACCEPTANCE WITHOUT INCURRING ANY LIABILITY TO THE SELLER, UNDERWRITER (IF ANY) OR ANY OTHER PERSON WITHIN TWO BUSINESS DAYS FROM THE DATE OF RECEIPT BY THE ISSUER OF HIS WRITTEN BINDING CONTRACT OF PURCHASE OR, IN THE CASE OF A TRANSACTION IN WHICH THERE IS NO BINDING CONTRACT OF PURCHASE, WITHIN TWO (2) BUSINESS DAYS AFTER HE MAKES THE INITIAL PAYMENT FOR THE SECURITIES BEING OFFERED.

NOTICE TO CONNECTICUT RESIDENTS

THE SHARES HAVE NOT BEEN REGISTERED UNDER SECTION 36-485 OF THE CONNECTICUT UNIFORM SECURITIES ACT BUT WILL BE SOLD IN RELIANCE ON AN EXEMPTION FROM SUCH REGISTRATION SET FORTH IN SECTIONS 36-490 (b) (9) (A) OF SAID ACT AND REGULATIONS PROMULGATED THEREUNDER. THE SHARES CANNOT BE RESOLD WITHOUT REGISTRATION UNDER SECTION 36-485 OF SAID ACT OR AN EXEMPTION FROM REGISTRATION PURSUANT TO SECTION 36-490 OF SAID ACT.

NOTICE TO FLORIDA RESIDENTS

PURSUANT TO SECTION 517.061 12 (a) (5) OF THE FLORIDA STATUTES, WHEN A SALE IS MADE PURSUANT TO SECTION 517.061 (II), FLORIDA INVESTORS (EXCLUDING CERTAIN INSTITUTIONAL PURCHASERS DESCRIBED IN SECTION 517.061 (7) OF THE FLORIDA SECURITIES AND INVESTOR PROTECTION ACT) HAVE A THREE-DAY RIGHT OF RESCISSION ONCE A MINIMUM OF FIVE (5) SALES HAVE BEEN MADE IN FLORIDA. THIS RIGHT OF RESCISSION APPLIES TO THE ORIGINAL FIVE (5) PURCHASERS WHO HAVE A THREE-DAY RIGHT OF RESCISSION DATING FROM THE FIFTH PURCHASE. THEREAFTER, ONCE A FLORIDA RESIDENT HAS EXECUTED A SUBSCRIPTION AGREEMENT, HE MAY ELECT WITHIN THREE BUSINESS DAYS AFTER SIGNING THE SUBSCRIPTION AGREEMENT TO WITHDRAW FROM THE SUBSCRIPTION AGREEMENT AND RECEIVE A FULL REFUND AND RETURN (WITHOUT INTEREST) OF ANY MONEY PAID BY HIM. A FLORIDA RESIDENT'S WITHDRAWAL WILL BE WITHOUT ANY FURTHER LIABILITY TO ANY PERSON. TO ACCOMPLISH SUCH WITHDRAWAL, A FLORIDA RESIDENT NEED ONLY SEND A LETTER OR TELEGRAM TO THE COMPANY AT THE ADDRESS SET FORTH IN THIS MEMORANDUM INDICATING HIS INTENTION TO WITHDRAW. SUCH LETTER OR TELEGRAM MUST BE SENT AND POSTMARKED PRIOR TO THE END OF THE AFOREMENTIONED THIRD BUSINESS DAY. IF A FLORIDA RESIDENT

SENDS A LETTER, IT IS PRUDENT TO SEND IT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO INSURE THAT IT IS RECEIVED AND ALSO TO EVIDENCE THE TIME AND DATE WHEN IT IS MAILED. SHOULD A FLORIDA RESIDENT MAKE THIS REQUEST ORALLY, HE SHOULD ASK FOR WRITTEN CONFIRMATION THAT HIS REQUEST HAS BEEN RECEIVED.

NOTICE TO NEW JERSEY RESIDENTS

THIS PRIVATE PLACEMENT MEMORANDUM HAS NOT BEEN FILED WITH OR REVIEWED BY THE NEW JERSEY BUREAU OF SECURITIES OR THE DEPARTMENT OF LAW AND PUBLIC SAFETY OF THE STATE OF NEW JERSEY PRIOR TO ITS ISSUANCE AND USE. NEITHER THE ATTORNEY GENERAL OF THE STATE OF NEW JERSEY NOR THE BUREAU OF SECURITIES HAS PASSED ON OR ENDORSED THE MERITS OF THIS MEMORANDUM (OR THE PRIVATE OFFERING CONTAINED HEREIN). ANY REPRESENTATIONS TO THE CONTRARY ARE UNLAWFUL.

NOTICE TO NEW YORK RESIDENTS

THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM HAS NOT BEEN FILED WITH OR REVIEWED BY THE ATTORNEY GENERAL OF THE STATE OF NEW YORK PRIOR TO ITS ISSUANCE AND USE. THE ATTORNEY GENERAL OF THE STATE OF NEW YORK HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATIONS TO THE CONTRARY ARE UNLAWFUL.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE, AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT, ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO GEORGIA RESIDENTS

THESE SECURITIES HAVE BEEN ISSUED OR SOLD IN RELIANCE ON PARAGRAPH (13) OF CODE SECTION 10-5-9 OF THE "GEORGIA SECURITIES ACT OF 1973," AND

MAY NOT BE SOLD OR TRANSFERRED EXCEPT IN A TRANSACTION WHICH IS EXEMPT UNDER SUCH ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION UNDER SUCH ACT.

OTHER STATE NOTICES

GENERALLY, MOST STATES HAVE REGULATIONS GOVERNING THE SALE OF SECURITIES. THESE REGULATIONS MAY, OR MAY NOT, BE SIMILAR TO THE ABOVE-STATED NOTICES. EACH PURCHASER, PRIOR TO PURCHASE, SHOULD CONSULT WITH HIS/HER OWN SECURITIES COUNSEL CONCERNING REGULATIONS GOVERNING THE SALE OF SECURITIES IN HIS/HER STATE OF DOMICILE. FURTHER, EACH PURCHASER MUST AGREE, AND BY SIGNING A SUBSCRIPTION AGREEMENT TO PURCHASE SECURITIES PURSUANT TO THIS OFFERING DOES AGREE, TO ABIDE BY ANY SUCH APPLICABLE STATE REGULATIONS, AND TO TIMELY PROVIDE PURCHASER'S STATE WITH ANY STATE NOTICE REQUIREMENTS, EITHER PRIOR OR SUBSEQUENT TO PURCHASE AS MAY BE REQUIRED, ON BEHALF OF BOTH IPODC AND PURCHASER, AS IPODC WILL BE RELYING UPON AN EXPRESS AND IMPLIED WARRANTY BY PURCHASER IN THIS REGARD AS OF THE SALE DATE OF ANY SECURITIES BY IPODC PURSUANT TO THIS SUBJECT OFFERING

AMENDMENT NOTICE

ALL THE ABOVE-REFERENCED FEDERAL AND STATE NOTICE LEGAL CITATIONS ARE SUBJECT TO PAST AND/OR FUTURE AMENDMENTS. A PURCHASER SHOULD CHECK WITH HIS/HER OWN LEGAL COUNSEL TO ASCERTAIN THE STATUS OF ALL CURRENT APPLICABLE SECURITIES REGULATIONS.

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EACH RESPECTIVE OFFEREE IS HEREBY GIVEN FULL AND FREE ACCESS, AS OF THE DATE HEREOF AND THROUGHOUT THE TERM OF THIS OFFERING, TO ALL BOOKS AND RECORDS OF THE COMPANY PERTAINING TO THE RECEIPT OF SALE OF THESE SUBJECT SECURITIES TO EACH SUCH RESPECTIVE OFEREE AND TO ALL NON-PROPRIETARY DOCUMENTS, IF ANY, DESCRIBED HEREIN. THIS PRIVATE PLACEMENT MEMORANDUM MAY CONTAIN ONLY A SUMMARY OF ANY SUCH DOCUMENTS, AND PROSPECTIVE OFFEREEES ARE URGED TO EXAMINE ALL OTHER DOCUMENTS, IF ANY, AT THE OFFICE OF THE COMPANY. OFFEREEES WHO DESIRE TO EXAMINE ANY SUCH DOCUMENTS, INCLUDING BUT NOT LIMITED TO DOCUMENTS REFERRED TO IN THIS PRIVATE PLACEMENT MEMORANDUM, AND OTHER NON-PROPRIETARY INFORMATION CONCERNING THE COMPANY SHOULD CONTACT B.RYLAND WIGGS, THE COMPANY'S PRESIDENT, AT (615) 371-1222.

BY ACCEPTING THIS MEMORANDUM, THE OFFEREE AGREES NEITHER TO PERMIT ANY REPRODUCTION OR DISTRIBUTION OF ITS CONTENTS IN WHOLE OR IN PART, NOR TO DIVULGE ANY OF ITS CONTENTS, EXCEPT IN CONFIDENCE TO HIS/HER PROFESSIONAL ADVISORS, IN CONNECTION WITH THIS OFFER. THE OFFEREE FURTHER AGREES TO RETURN THIS MEMORANDUM, AND ALL OTHER DOCUMENTS DELIVERED IN CONNECTION WITH THE OFFERING MADE HEREBY TO THE COMPANY IF, AND PROMPTLY AFTER, HE/SHE DECIDES NOT TO ACCEPT THE OFFER MADE HEREBY.

THE COMPANY

IPO Development Corporation ("IPODC", also referred to herein as the "Company") was established in 1997 to develop regional/national scope business combinations/consolidations for enhanced third party sale and/or initial public offering opportunities. Besides offering combination, consolidation, high yield debt, and initial public offering ("IPO") related consulting services regarding feasibility, costs, timing, and requisite professional engagement terms, IPODC also initiates and structures third party sales and IPO projects from inception through closing. The Company's first material project was to initiate and complete an approximate \$180 million IPO (NASDAQ) in 1998. IPODC is presently working with a national-scope road/bridge infrastructure combination group, as well as working with Earth To Air Systems, Inc. ("ETA") under IPODC's additional subject Energy Project. ETA is a Tennessee business corporation which was established in 2002 to develop regional/national/international scope direct expansion heating/cooling systems. ETA has been initially financially sponsored by IPODC. Both IPODC and ETA are principally owned and controlled by B. Ryland Wiggs. IPODC's initial objective in its Energy Project was to combine a group of proven and/or promising renewable energy and/or energy efficiency companies and/or technologies into one large, national organization for the mutual financial benefit of participants and investors, with an ultimate goal of effecting a third-party sale and/or an initial public offering. During the course of work regarding its initial Energy Project objective, a proprietary direct expansion heating/cooling technology was developed termed a Deep Well Direct Expansion ("DWDX") system. A DWDX system is the name attributed to ETA's new design where copper, or other heat exchange, tubes are installed to a sub-surface depth of 100, or more, feet within a borehole, to extract heat from the earth in the winter, and to reject heat into the earth in the summer. This new DWDX technology encompassed such significant positive implications that Marsh Equities in New York, as well as other professionals, recommended that IPODC concentrate its efforts in the development of this one particular Energy Project aspect. As a result, initial DWDX concept verification has been completed, with the first ever reverse-cycle DWDX heating/cooling system having been successfully installed and operated near Nashville, Tennessee. Initial test results have indicated operational efficiency levels higher than any other known heating/cooling system in the world, together with enhanced comfort and safety levels. The all-electric and environmentally friendly DWDX system has been designed for both commercial and residential applications, as well as for new construction and retro-fit.

HIGH RISK FACTORS

The securities offered hereby involve a high degree of risk, and should only be purchased by persons who can afford to lose their entire investment. Certain of those risks are as follows:

1. Development Stage Company. The Company's subject Energy Project is in its early development stages, embarking upon a new venture. At the present time, the Company has developed a plan designed to accomplish its stated objectives, but there is no assurance the plans will materialize. Potential investors should be aware of the difficulties encountered by a new enterprise in its development stage, especially in view of the uniqueness of the subject Company development plan in the heating/cooling related industries. There is nothing at this time upon which to base an assumption that the Company's plans will either materialize or prove

successful, and if not, investors may lose all, or a substantial portion, of their investment. The Company, in short, faces all the risks inherent in a organizing and implementing a new business, and such risks are particularly significant in the business of developing new operating structures, and new products and services. There is no assurance that the Company's Energy Project will receive either investor or commercial acceptance, or that the subject Energy Project will either materialize or will achieve a profitable level of operations.

2. Working Capital. The Company's Energy Project presently has no working capital, no net worth, and has not had any operating income whatsoever. The Company's Energy Project's ability to begin its proposed activities and to operate as a going concern is contingent upon the successful conclusion of this offering, the receipt of sufficient net proceeds therefrom, and on subsequent financing arrangements, when and if necessary.

3. Patented Technology. The Company, via its Energy Project, does plan to pursue the inclusion of technologies which are patented, and which may be patented. However, there is no guarantee that a competitor may modify any such technology beyond any such patent protection or that any such patent will hold off competitors in patent infringement litigation. Further, the Company may pursue the inclusion of technologies in areas where patent protection is not available.

4. Competition- In the overall heating/cooling related industries, the Company's Energy Project will be competing with other firms which have been in existence for a longer period of time, are better established than the Company's Energy Project, have financial resources substantially greater than the Company's Energy Project, and have more extensive facilities than those which now or in the foreseeable future will become available to the Company's Energy Project. In addition, other firms with resources greater than those of the Company's Energy Project may enter into competition with the Company's Energy Project in the future.

5. "Best Efforts Only" Offering. This offering is being conducted on a "best efforts only" basis, meaning that all of the proceeds realized by the Company upon the sale of any number of Units will be used by the Company when accepted by the Company, and none of the funds will be returned to subscribers. The proceeds of this offering may not, therefore, be sufficient to meet the proposed objectives of the Company's Energy Project and subscribers must rely on management regarding the allocation of the proceeds to be received hereby (see "Use of Proceeds").

6. Dependence on Key Personnel. The Company is dependent upon the personal efforts and abilities of the Company's present officers and staff. The loss or unavailability to the Company of any of these persons could have a material adverse effect upon the Company (see "Management").

7. Lack of Full-Time Management. None of the Company's present officers and staff are intended to work full-time for the Company on the subject Energy Project within the foreseeable future. The officers and staff of the Company will devote only part of their time to the operations of the Company and its subject Energy Project. The lack of full-time management or support personnel may have a materially adverse effect upon the Company and its Energy Project (see "Management").

8. No Dividends and None Anticipated. The Company's Energy Project has no earnings, and has paid no dividends to date. There can be no assurance that the operations of the Company's Energy Project will result in sufficient revenues to enable the Company's Energy Project to operate at profitable levels or to generate positive cash flow. For the foreseeable future it is anticipated that earnings, if any, which may be generated from operations of the Company's Energy Project will be used to finance the growth of the Energy Project. Therefore, it is not expected that cash dividends will be paid to investors in the foreseeable future.

9. Securities Act Restrictions on Resale. The securities being offered hereby are "restricted securities" as defined under the Securities Act of 1933, meaning that they must be held for a minimum of one year (absent any lawful exception) and may thereafter be resold only in accordance with Rule 144 under said Act. There is absolutely no assurance that, after one year, the Company's Energy Project will have a market for its subject securities, or if so, that it will meet the "public availability of information" requirements under Rule 144, enabling the securities to be sold. Additionally, certain states subject investors to additional restrictions which may preclude the sale of the securities hereby offered for certain other specified periods of time. Each investor should ascertain any such applicable time periods and all other relevant applicable laws within his/her state prior to purchasing any securities hereunder. The Company does not provide legal, accounting, or business advise. Each investor is solely responsible for his/her/its own advise regarding any investment in the Company's securities and/or the Company's Energy Project and all matters pertaining thereto.

10. Arbitrary Offering Price. The offering price of \$25,000 per Unit has been arbitrarily determined by the Company based upon such factors as the estimated proceeds the Company believes is necessary to be raised in order to develop and initiate its subject Energy Project. Accordingly, there is no relationship whatever between the offering price and the Company's, and/or the Company's Energy Project's, assets, earnings, potential issuance of additional classes of stock, stock shares which may be diluted, book value, or any other objective standard of worth.

11. Additional Financing. To the extent that more than the proceeds of this offering is required to enable the Company's Energy Project to meet its objectives, the Company may require additional financing in the future, and there can be no assurance that such financing will be available, or if available, that it can be obtained on terms satisfactory to management. Because this is a "best efforts only" offering, no particular amount of proceeds can be assured.

12. Volatile Nature of Heating/Cooling Business. The heating/cooling business is volatile, and is subject to many rapid and unpredictable changes based upon supply and demand, technological developments, competition, government regulation, price fluctuations, foreign influence, weather, geological conditions, and other factors, all of which are beyond the Company's control.

13. No Market for Securities. There is no present market for the securities of the Company, and there is no assurance that a trading market for the securities will ever develop. Moreover, even if a trading market for the securities develops, there is no assurance that such trading

market will be maintained. There is no assurance that any market and/or third party sale and/or public offering pertaining to the subject Energy Project will ever be successfully completed.

14. No Securities Registered. None of the securities of the Company to be purchased hereunder have been registered with any State regulatory or securities agency or bureau, nor has any regulatory agency passed upon the merits of the securities of the Company's Energy Project, or the accuracy of the information contained herein.

15. Product Liability. The Company's Energy Project, via ETA, plans to offer warranties concerning various aspects of the DWDX system. There can be no assurance that in the future ETA will not face warranty and/or product liability claims with respect to products which may be sold by ETA and/or its authorized distributors/dealers and/or its assignees.

16. No Customers. The Company's Energy Project has no customers or agreements concerning its proposed area of business, and can give no assurance that it will be able to secure any agreements or customers, or if so, that such customers or agreements will result in profits for the Company's Energy Project.

17. Continued Control- Even if this offering is fully subscribed, investors will have no control in the direction and/or management of the Company and/or of its subject Energy Project and/or of ETA. Consequently, the present majority stockholders of the Company will continue to elect all of the Company's directors and officers and will continue to otherwise control its policies, as well as those of the subject Energy Project.

TERMS OF OFFERING

The Company is offering to private investors a maximum of \$1,000,000 in Units. Each Unit is offered at \$25,000, and consists of a respective and corresponding \$50,000 interest in the proceeds, if any, received by the Company via its commissions resulting from either a third party sale or an initial public offering of its subject Energy Project. The said \$50,000 interest will be paid to investors in the same proportion of cash, stock, or other consideration received by the Company upon a funding event ("funding event" is herein defined as a third party sale or an initial public offering) resulting from its subject Energy Project. The Units are being offered by the Company, and no commissions will be paid to it or its officers and directors. However, if registered broker-dealers or finders, not prohibited by law from receiving re-numeration, assist the Company in selling the Units, such persons may receive up to 10% of the offering price per Unit, in addition to a potential 3% maximum in unaccountable fees.

The Units are being offered to private accredited investors pursuant to the exemption from registration under the Securities Act of 1933, as amended, contained in Regulation D thereunder. The Company reserves the right to refuse subscriptions in order to comply with State and Federal securities laws and for any other reason. The Units are subject to prior sale. The minimum investment is one Unit (\$25,000) per investor; however, partial Units may be accepted at the discretion of the Company.

The subscription period will begin on the date of this Private Placement Memorandum and will terminate on the earliest of (i) September 30, 2003; or (ii) the date that accepted subscriptions for shares total \$1,000,000; or (iii) any earlier date hereafter specified by the Company. The offering is made on a "best efforts only" basis. Therefore, once subscriptions are received and accepted by the Company, such funds will be used by the Company and will not be returned to subscribers.

The estimated costs of the offering will likely not be more than \$500. All subscription monies, once accepted, will be deposited in the Company's general account at Franklin National Bank, Nashville, Tennessee. Checks for subscriptions should be made payable to "IPO Development Corporation".

In addition to the substantial risks involved in this offering (see "High Risk Factors"), there are also substantial limitations upon each subscriber's right to dispose of the securities purchased under applicable securities laws (see "Securities Act Restrictions on Resale"). The offering price of the Units was arbitrarily determined by the Company, and bears no relationship whatsoever to either the Company's, or to the Company's subject Energy Project's, book value, assets, earnings or any other recognized criteria of value.

DESCRIPTION OF SECURITIES

Units

Each \$25,000 Unit consists of a \$50,000 interest in the proceeds, if any, received by the Company via its commissions resulting from either a third party sale or an initial public offering of its subject Energy Project.

The Company is authorized to issue 40 Units in this subject October 1, 2002, offering, of which, 0.00 Units, as of the date of this subject offering, are currently issued and outstanding. No outstanding Units, or Unit owners, are entitled to any vote, either in person or by proxy, on any matter that may be voted upon by the Company owners at meetings of the stockholders.

The holders of Units (i) have no rights to dividends; (ii) are not entitled to share ratably in all of the assets of the Company, or the Company's Energy Project, available for distribution to holders of Common Stock upon liquidation, dissolution, or winding up of the affairs of the Company or of the Company's Energy Project; (iii) do not have preemptive, subscription or conversion rights, or redemption or sinking fund provisions applicable thereto; and (iv) are not entitled to vote on any matter on which Company stockholders may vote at all meetings of stockholders.

All shares of Units which are the subject of this offering, when issued, will be fully paid and non-assessable, with no personal liability attaching to the ownership thereof. The holders of Units of the Company's subject Energy Project do not have any voting rights, cumulative or otherwise, which means that the holders of more than 50% of the Company's outstanding shares, voting for the election of directors and/or officers, can elect all of the directors and/or officers of the Company if they so choose and, in such event, the holders of the Company's Energy Project Units will not be able to elect any of the Company's directors and/or officers.

Transfer Agent

The Company acts as its own Transfer Agent.

PROPOSED BUSINESS

The current focus of the Company's Energy Project is to assist in the development, sponsorship, and promotion of Earth To Air Systems, Inc. ("ETA"). ETA was established in 2002 to develop a proprietary and confidential, patent pending, geothermal heating/cooling system with a very high operational efficiency potential, primarily for commercial applications, and secondarily for residential. ETA anticipates either selling, licensing, and/or manufacturing and distributing its HVAC technologies in both domestic and international markets.

BUSINESS PLAN

The Company plans to assist in the development, sponsorship, and promotion of ETA. ETA plans to accelerate research and development ("R&D") of its proprietary HVAC Deep Well Direct Expansion heating/cooling technology for about one year, prior to releasing same to the commercial and residential markets. ETA's innovative technologies result in systems that have been documented by an independent testing firm to perform at a cooling COP of 8.36, and a 28.52 EER, which is significantly greater than any other known conventional reverse-cycle heating/cooling system. Further ETA's technologies will provide extremely comfortable air in both the winter and summer seasons. As a result, upon the completion of initial intensified R&D, and further anticipated improvement of its proprietary technologies, ETA plans on either selling, licensing, and/or manufacturing and distributing its unique geothermal heating/cooling systems.

Since ETA is not currently engaged with traditional distribution channels, it can build its organization around a properly aligned structure so as to promote the greatest likelihood of long-term success. This structure will include sales personal trained to accurately explain the value of the significant operational savings, the enhanced comfort levels, the enhanced safety benefits, as well as the reduced maintenance advantages. Further, systems are planned to be installed only by fully-trained and licensed professionals. Via utilization of ETA personnel, potential ulterior motives intentionally designed to generate maintenance and repair work can be eliminated.

The growth opportunities for ETA's geothermal DX heat pumps are outstanding. Heat pumps currently control about ten percent of the overall HVAC market, based primarily on the utilization of air-source heat pumps. Prototype ETA systems typically operate at efficiency levels about 40% to 70% greater than conventional air-source heat pumps, and at even higher comparative efficiency levels when viewed against other conventional fossil fuel systems.

To accomplish its objectives, ETA plans to draw upon its officer's and IPODC's (the Company's) established relationships with industry experts, an established and reputable accounting firm, securities counsel, investment banking firms, patent/trademark counsel, appropriate Heating/Ventilation/ Air-Conditioning ("HVAC") technology personnel and patent holders, and other relevant and necessary project professionals.

POTENTIAL MARKET

The current domestic market for energy is valued at \$300 billion dollars, and over \$800 billion dollars worldwide. At this point in time, faced with increased demand and rapid deregulation, the traditional energy industry is experiencing significant amounts of change. Alternative energy technology is becoming a significant force within the energy universe.

The Company's Energy Project sponsored ETA is designed to operate squarely within the arena of energy technology, and better, the specific arena of renewable energy enhanced technology.

ETA's DWDX Project is designed to provide reliable, cost effective heating and cooling, in a reverse-cycle, closed loop, geothermal system that will not only save its users significant amounts of money, but will also significantly reduce power production requirements and provide extremely valuable load-leveling characteristics for electric utility companies.

ETA plans to initially focus on the commercial segment of the HVAC sector. It is estimated that the commercial HVAC market segment represents in excess of \$35 Billion of annual revenues. With over 4,000,000 commercial buildings in the U.S. alone, this sector has apparently been the cash cow of the HVAC industry. The largest number of commercial buildings are reported to be located within the Southern portion of the United States. ETA is anticipated to gain significant initial advantages via its strategic location within the southeast.

Heating and cooling expenditures represent a significant portion of operating expenses for any commercial organization. For this reason, commercial and industrial organizations are becoming increasingly interested in utilizing the most efficient technologies available.

The Company believes ETA's proprietary Deep Well Direct Expansion ("DWDX") system is both practical and timely, and will provide commercial clients with significant advantages. It is estimated that ETA's commercial system will provide customers with about the same 40%-70% reduction in annual heating and cooling costs as has been documented for residential applications. These amounts of savings can quickly turn into significant Energy Project investor value.

Offices, hotels/motels, hospitals, nursing homes, and education institutions reportedly spend over 50% of their annual energy costs on HVAC related operations. Additionally, both food sales and service buildings reportedly have one of the highest cost per square foot in terms of HVAC costs. While less than 30% of these sectors' annual energy costs are attributed to HVAC related expenses, the aggregate expenditures create an opportune environment for ETA to market its DX products. ETA currently plans to initially market its commercial products to companies operating in these sectors with building sizes between 5,000 and 25,000 square feet. However, the Company believes the ETA systems will be equally well-received by any type of commercial organization which is fortunate enough to learn of the system's availability.

The Company believes ETA's accelerated development of a planned energy efficient, and cost effective, geothermal heating/cooling system will be both timely and rewarding under current circumstances and world events.

MARKETING PLANS

The Company's Energy Project sponsored ETA plans to be extremely careful in developing and implementing its marketing and branding campaign. ETA intends to tightly control sales and marketing efforts, so as to ensure its reputation as a prestigious, environmentally friendly, professional organization, which offers the most advanced, most comfortable, and best value HVAC system available, bar none. Ultimately, the marketing campaign ETA utilizes will vary with the path ETA elects to pursue with regards to either manufacturing and selling the systems internally, or electing to sell/license the technology to a third party (Trane, Lennox, Carrier, York, American Residential, etc.)

While ETA currently plans to utilize traditional marketing channels, such as trade shows and magazines, the bulk of ETA's marketing efforts will be dedicated to securing relationships with the CEO's and CFO's of potential clients. ETA believes the superior comfort levels and long-term financial savings of their DWDX products are the greatest selling point. ETA's sales staff plans to show potential clients how ETA product savings translate into increased shareholder value. The underlying rationale of focusing on the commercial sector as opposed to the residential is the fact that the overall sophistication of commercial customers is generally greater with regards to ETA's technology, and the time spent to effect one commercial sale will result in a much greater sales volume than an equivalent amount of time spent to effect one residential sale.

APPLICABLE TECHNOLOGIES

The Company's subject Energy Project, via concentration on ETA's DWDX technology, already has an established starting point, as B. Ryland Wiggs's prototype DWDX design system received an independent third-party test certification of an 8.36, and an EER of 28.52, while producing 59,976.45 BTUs (60,000 BTUs is 5 tons). This is the highest presently known reverse-cycle heating/cooling system cooling mode operational efficiency level. IPODC's CEO, B. Ryland Wiggs, plans to commit an issued U.S. Patent (No. 5,946,928, issued September 7, 1999), regarding an increased efficiency direct expansion geothermal heating/cooling system, as well as several other geothermal heating/cooling related patent pending applications in process, to ETA (specifically, U.S. Patent Application No. 10/127,517 for a Thermally Exposed, Centrally Insulated Geothermal Heat Exchange Means; U.S. Patent Application No. 10/073,513 for a Closed Loop Direct Expansion Heating and Cooling System With Auxiliary Refrigerant Pump; U.S. Patent Application No. 10/211,112 for a Sealed Well Direct Expansion System; and U.S. Patent Application No. (to be assigned) for an Insulated Sub-Surface Liquid Line Direct Expansion Heat Exchange Unit With Liquid Trap). Mr. Wiggs has developed other U.S. patents and other U.S. patent applications: in the direct expansion heating/cooling field which have previously been assigned to others, such as U.S. Patent No. 5,623,986, etc.; in the conventional air-source HVAC field, such as a Heating and Cooling System Frozen Moisture Adherence Inhibitor patent application; and in the renewable energy fields; which existing patents and/or patent applications will not be assigned to ETA. However, all other new and future DX geothermal heating/cooling patent applications developed via ETA's R&D program will be maintained by ETA.

USE OF PROCEEDS

IPODC's use of the initial \$1 million, or less, accredited investor securities sales proceeds may be utilized for general Energy Project development purposes, including, but not limited to, the following:

Technology research and development, land acquisition and/or lease and test facility construction expenses, travel expenses, printing/copying costs, group meeting expenses, accounting fees, patent counsel and patent application fees (U.S. and International), officer and staff salaries and costs, re-imbursement of IPODC expense advances from non-Energy Project sources, postage and express delivery fees, telephone and fax costs, computer and/or computer program expenses, ETA development costs, ETA promotion costs, ETA sponsorship costs, office costs, office utility expenses, financial modeling fees, insurance costs, acquisition costs of relevant business/technology options, legal fees, and other miscellaneous and general working capital, etc.

IPODC, via filing form D with the U.S. Securities and Exchange Commission, in reliance on Rule 54 provisions regarding this subject offering, listed estimated printing costs at \$500, and listed estimated payments to Officers, Directors, and Affiliates at \$999,500. The \$999,500 estimated payment to Officers, Directors, and Affiliates was based upon the premise that itemized estimated costs for all the above-stated factors under Use Of Proceeds, over an estimated future one year period, would be difficult to forecast with accuracy, but would all be incurred directly and/or indirectly via the Company's Officers, Directors, and Affiliates, to whom payments will either be made directly, or to others on their behalf pursuant to their direction. The Company reserves the right not to sell all the investment Units, as set forth in this subject offering, should the Company, in its sole discretion, deem it unnecessary.

SECURITIES ACT RESTRICTIONS ON RESALE

A purchaser of the Company's securities will be required to represent that he/she is acquiring same for his/her own account for investment purposes only (and is assuming the economic risk of the investment) and not with a view to the distribution thereof (that is to say, that such person is not acting as an underwriter or conduit for sale to the public or to others of unregistered securities, directly or indirectly, on behalf of the Company).

The securities offered hereby have not been registered under the 1933 Act, and they may not be transferred, pledged, hypothecated, or otherwise disposed of, except in compliance with the requirements of the Act, unless an exemption from registration under the Act is available. Accordingly, subscribers will not be able to transfer such securities without satisfactory evidence to the effect that such securities were originally acquired for investment purposes and not for distribution. Prospective investors, therefore, should not acquire any securities in anticipation of selling them on a short-term basis upon some increase in price, or to purchase some other security, or for any other purpose which could reasonably be foreseen at the time of making the purchase.

Generally, prior to any resale of restricted securities to the public other than by an effective registration statement filed with the Securities and Exchange Commission ("SEC") covering these securities, or other applicable exemption, such securities must have been beneficially owned and fully paid for at least one year. Rule 144, promulgated under the 1933 Act, places additional restrictions upon the resale to the public of restricted securities, as follows:

1. The Rule requires the availability of adequate public information, as described in the Rule, with respect to an issuer of restricted securities. There is no present obligation on the part of the Company to make such public information available.
2. There is a limitation on the amount of securities which may be sold during any three-month period.
3. The securities may only be sold in "Brokers' transactions," as defined in Section 4(4) of the 1933 Act, and the seller of the securities and his broker are required to follow certain specified procedures in connection with the sale.
4. A Form 144 Notice of Proposed Sale must be filed with the SEC concurrently with the placing with a broker of an order to execute a sale in reliance upon Rule 144.

Pursuant to Rule 144(k), promulgated under the 1933 Act, however, the above four requirements do not apply to restricted securities sold for the account of persons who are not affiliates of the Company at the time of sale and who have not been affiliates during the preceding three months, provided the securities have been beneficially owned by such persons for a period of at least three years (or other time period as amended) prior to their sale. The Company is under no obligation to register the shares offered hereby under any Federal or State securities laws.

Any purchaser of the Company's securities offered pursuant to this subject Energy Project is advised to ascertain any securities related law question and/or issue with his/her own securities counsel prior to purchase. All statements regarding applicable securities law made herein are believed to be accurate, but are not guaranteed to be legally correct by the Company, which is not an expert in securities law, and which is not authorized to render either a legal, accounting, or financial advisory opinion. All opinions as set forth herein are made in good faith and are believed to be accurate, but each investor must perform his/her own due diligence and must rely upon his/her own judgment and/or the judgment of his/her own professional advisors.

MANAGEMENT

The Company's Energy Project will be principally managed and directed by B. Ryland Wiggs, CEO, who is also CEO of ETA, with assistance from David R. Wiggs, Vice-President, Finance, who is also an officer of ETA. Additional DWDX technical and prototype development assistance for ETA is anticipated via Frank Kenneth Carpenter, who is an experienced geothermal DX technology expert.

B. Ryland Wiggs is a licensed attorney, being a present member of the Pennsylvania Bar, the Tennessee Bar, the United States District Court (E. Pa.) Bar, and the United States Court of Appeals (3rd Circuit) Bar. Mr. Wiggs received his B.S Degree in Business Administration from the University of Tennessee at Chattanooga, and his Doctor of Jurisprudence Degree from the University of Tennessee School of Law. Mr. Wiggs has a strong history in the renewable energy and energy efficiency fields, having received five personal, and several co-authored, United States Patents in these areas. Mr. Wiggs has negotiated Utility Power Purchase Contracts, has negotiated Utility energy efficiency rebate programs, and has obtained renewable energy project permits from the U.S. Federal Energy Regulatory Commission. Mr. Wiggs has served as Chairman of the California Energy Commission's Geothermal Heat Pump Collaborative Subcommittee on Regulatory Issues, as well as having served on the Canadian Standards Association Subcommittee on Performance of DX Ground Source Heat Pumps, which developed the C748 draft regarding DX Testing Standards. Mr. Wiggs is the founder of IPO Development Corporation, which successfully structured and effected an Initial Public Offering ("IPO") on NASDAQ, valued at approximately \$180 million. Mr. Wiggs has worked extensively with the owners/managers of \$5 million to \$500 million privately owned companies regarding combination, consolidation, and IPO issues, has developed good relationships with multiple Investment Banking Institutions, and has appeared as a guest speaker at various functions and IPO related seminars. Mr. Wiggs served as the CEO of a former residential DX company, and took the former company from 0 DX system sales to over 2,200 units sold. Due to fundamental differences among owners/managers, Mr. Wiggs left the former company to pursue other endeavors and the former company, under new management, was subsequently dissolved. However, while under Mr. Wiggs' direction, this former company's conventional DX system was featured on the Discovery Channel and CNN; was featured in Home Mechanix Magazine; was featured as Builder Magazine's product of the month; and was listed as one of the 50 most requested products by builders in an issue of Professional Builder Magazine. Mr. Wiggs personally directed the development of cathodic protection standards for in-ground DX systems, as well as multiple DX related successful R&D efforts. Mr. Wiggs has authored information treatises explaining the longevity of in-ground cooper and the safety aspects of DX system refrigerant gases in regards to the Montreal Protocol. Mr. Wiggs has implemented and overseen two DX system manufacturing and shipping facilities; has overseen the implementation of DX company insurance programs; and has overseen a successful UL certification process. Mr. Wiggs subsequently developed the relevant patented and patent-pending technologies which form the basis for the subject ETA Deep Well Direct Expansion ("DWDX") Project. The first certified DWDX prototype developed by Mr. Wiggs, as verified by United Testing & Balancing, Inc., an independent third party, via its July 27, 2002 efficiency verification test, reflected the prototype unit produced a cooling mode Co-efficient Of Performance ("COP") factor of 8.36, which is equivalent to an Energy Efficiency Ratio ("EER") of 28.52. These test results materially exceed those of any other known conventional system.

David R. Wiggs received his B.S. Degree in Business Administration, with emphasis in accounting, from the University of Tennessee, and received his Masters in Business Administration, with a concentration in finance, from the Owen Graduate School of Management at Vanderbilt University. Mr. Wiggs will provide project structuring, analysis, and finance/investment banking assistance.

Frank Kenneth Carpenter has 32 years experience in the HVAC industry, having owned and operated Industrial Heating & Air-Conditioning in Nashville, Tennessee (25 employees), and having acquired 8 years in direct expansion heating/cooling experience. Mr. Carpenter's DX experience commenced in 1994, via DX system installation, design, and testing, in addition to processing UL approval for a conventional DX design. ETA's initial DWDX prototype unit was installed in Mr. Carpenter's personal residence in the first part of 2002.

LITIGATION

The Company is not presently a defendant in any material litigation, nor to the knowledge of management, is any litigation threatened against the Company which may materially affect the Company and/or its subject Energy Project.

FURTHER INFORMATION

This Private Placement Memorandum may contain summaries of and/or references to certain documents, and other materials, financial or otherwise. Prospective purchasers hereunder who wish to examine any or all of such documents, or who desire additional information, if available, should contact the Company, Attention: B. Ryland Wiggs, President and CEO, 214 Overlook Court, Suite 106, Brentwood, Tennessee 37027, or any forwarding address in the event of office relocation. Telephone (615) 371-1222.

FINANCIAL STATEMENTS

There are no financial statements pertaining to this subject Energy Project as of the date of this subject offering, as IPODC has solely paid all project development costs to-date via its general business account, via its own available funding and/or via prior funding from its previous July 1, 2001 Energy Project offering. This subject Energy Project has no unpaid bills due, and has no ETA product sales income as of the date of this offering. Cost reimbursements for advancements not received from Energy Project investments are anticipated to be made to IPODC by the Company from the proceeds of this offering once relevant costs advanced have been itemized and ascertained by IPODC. There are no cost reimbursements anticipated to be made to the Company's officers or staff from proceeds of this offering. The identity of project participants and individual investors will be maintained in confidence by the Company pursuant to project participant agreement provisions and custom. All investments made pursuant to this offering will be placed in the Company's general business account. As of the date of this offering, due to the infancy of the Energy Project, due to the research and development nature of the DWDX designs by ETA, and due to the fact that no DWDX systems have been offered for sale, the Company's income statements, expense statements, and balance sheets pertaining to this subject Energy Project have not been prepared. Any forward-looking financial information projected by the Company would consist of estimates only based upon unknown future events. Consequently, each investor in the Company's DWDX Project must make his/her/its own business model and forecasts, without reliance upon any projections by the Company, even if the Company provides any investor with financial models and/or projections developed by either the Company, ETA, or their officers or employees.

INVESTOR SUITABILITY AND TERMS

This subject investment proposal relates to a private sale of securities in IPO Development's ("IPODC" and/or the "Company") Energy Project. IPODC is a Tennessee business corporation, with a current operating office at 5556 Franklin Pike, Suite 201, Nashville, Tennessee 37220.

The Company intends to sell a total of 40 Energy Project investment Units, at \$25,000 per Unit, for a total price of \$1,000,000 cash. Each Unit is offered at \$25,000, and consists of a \$50,000 interest in the proceeds, if any, received by the Company via its commissions resulting from either a third party sale or an initial public offering of its subject Energy Project. The said \$50,000 interest will be paid to investors in the same proportion of cash, stock, or other consideration received by the Company upon a funding event ("funding event" is herein defined as a third party sale or an initial public offering) resulting from its subject Energy Project.

This subject Accredited Investor Capitalization Investment offering is considered to be exempt from registration with the Securities and Exchange Commission under Section 4(6) of the Securities Act of 1933, as amended. Therefore, only those persons and entities considered "Accredited Investors" under Section (2)(15)(i) of the Act, as amended, may be offered this investment. Generally, the investor, to be accredited, must meet one of the following qualifications:

1. Natural persons and spouses who (a) have an individual net worth, or joint net worth with their spouses, at the time of purchase which exceeds \$1,000,000 or (b) had an individual income in excess of \$200,000 in each of the two most recent years, and reasonably expect an income in excess of \$200,000 in the current year; or (c) had a joint income with their spouse in excess of \$300,000 in each of the two most recent years, and reasonably expect an income in excess of \$300,000 in the current year; or
2. Any trust with total assets in excess of \$5 million; or
3. Any entity in which all of the equity owners are accredited investors; or
4. Any other "Accredited Investor" as that term is defined in Regulation D.

III. MISCELLANEOUS

3.1 Any notice or other communication given hereunder shall be deemed sufficient if in writing and sent by Registered or Certified Mail, Return Receipt requested, addressed to IPO Development Corporation, 214 Overlook Court, Suite 206, Brentwood, Tennessee 37027 (or to any forwarding address in the event of a change of address) Attention: B. Ryland Wiggs, President; and to the Purchaser at his/her/its address indicated on the last page of this Agreement (or to any forwarding address in the event of a change of address). Notices shall be deemed to have been given on the date of mailing, except in the event of notice of change of address, which shall be deemed to have been given when received.

3.2 This Agreement shall not be changed, modified, or amended except by a writing signed by the parties to be charged, and this Agreement may not be discharged except by performance in accordance with its terms, or by a writing signed by the party to be charged.

3.3 This Agreement shall be binding upon and inure to the benefit of the parties hereto and to their respective heirs, legal representatives, successors, and assigns. This Agreement sets forth the entire agreement and understanding between the parties as to the subject matter thereof and merges and supersedes all prior discussions, agreements, documents, projections, and understanding of any and every nature among them.

3.4 This Agreement and its validity, construction, and performance shall be governed in all respects by the laws of the State of Tennessee, without regard to Tennessee conflicts of law principles, with jurisdiction agreed by all parties to exist in either Davidson County or Williamson County, Tennessee.

THIS AGREEMENT'S SIGNATURE PAGE FOLLOWS:

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year written below.

ACCEPTED AND AGREED:

IPO Development Corporation

By: _____
B. Ryland Wiggs, CEO

Signature(s) of Purchaser(s) (Name of Company and Title if Purchaser is Company)

Date of Subscription: _____

Name(s) in which the Purchaser Unit(s)
is/are to be Titled: _____

Number of Units Purchased: _____

Dollar amount of Units Purchased: _____

Social Security or Taxpayer Identification
Number of Purchasers): _____

Telephone Number of Purchaser: (_____) _____

Address of Purchaser: